

FIG. 1
PRIOR ART

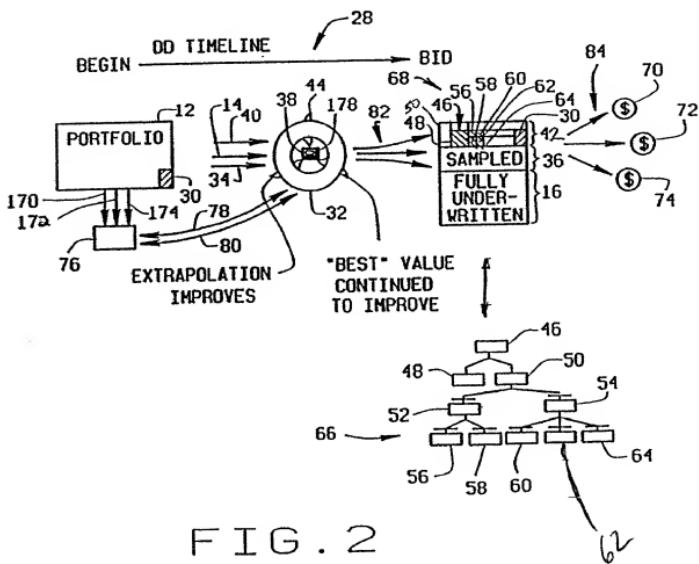


FIG. 2

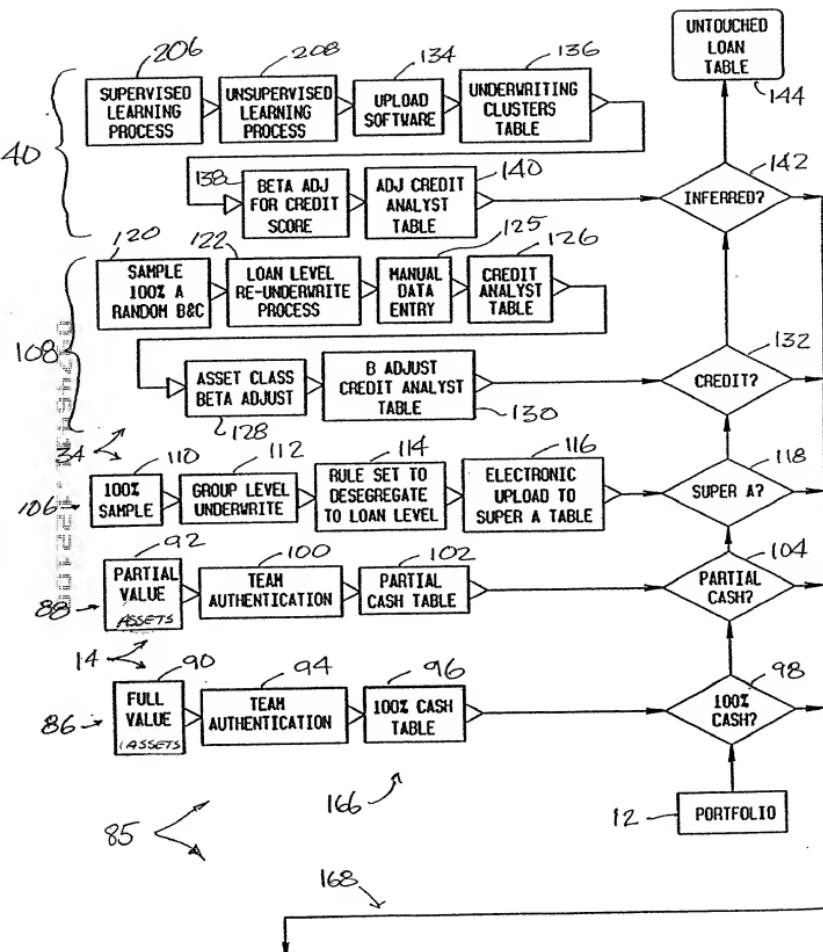


FIG. 3.

FROM FIG. 3

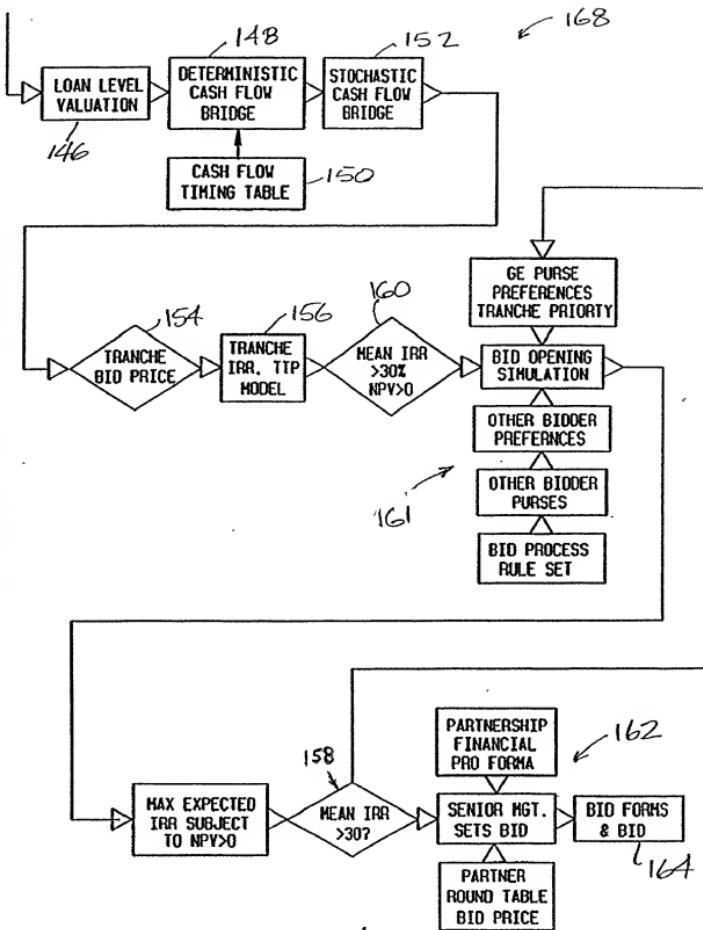


FIG. 4

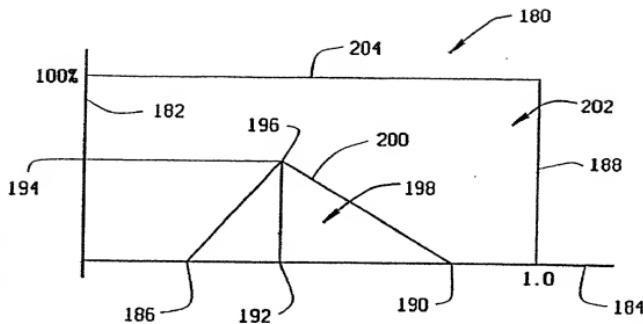


FIG. 5

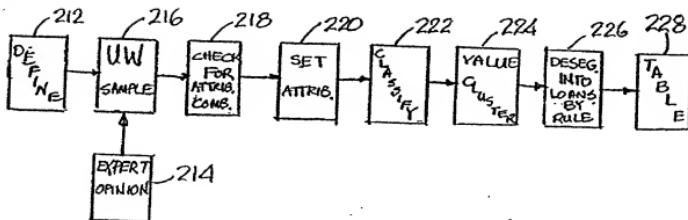


FIG. 6 210

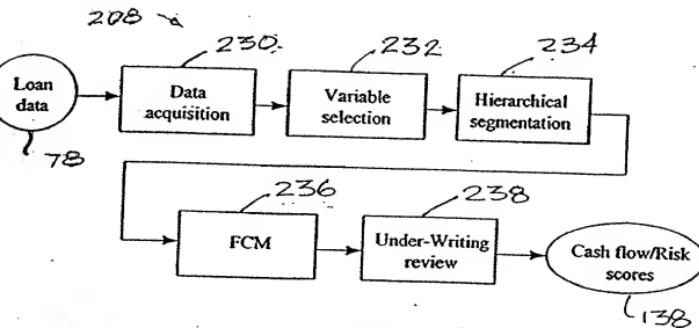


FIG. 7

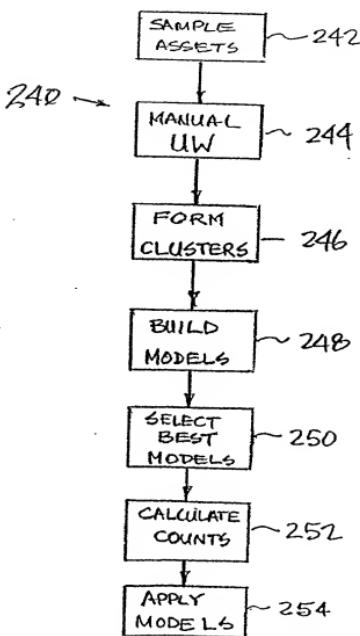


FIG. 8

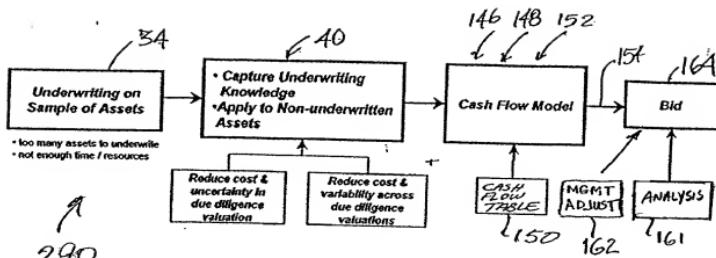


FIG. 9

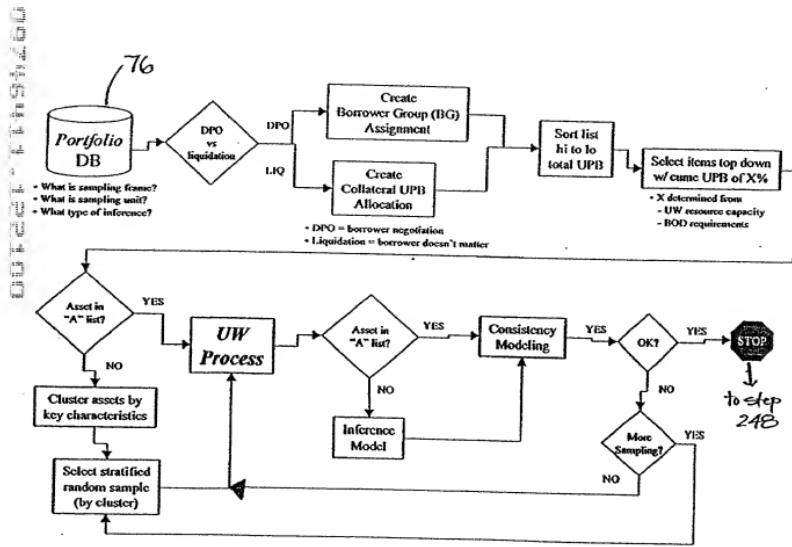


FIG. 10

6 Models Built:

- models differ by which variables used
- UW assets get the minimum error prediction (actual - predicted)

BUILD
MODELS

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Variables Used	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Land Area	X		X	X	X	
Build Area	X	X	X	X	X	
Other	X	X	X	X	X	X
GEN1 Predicted Current Appraisal		X	X	X	X	
GEN1 Predicted Realized Price		X	X	X	X	
Property Type		X	X	X	X	
Location	X	X		X		
Com / Res	X	X	X	X	X	
Group (cluster)	X	X	X	X	X	X

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→ BY -

Model "Weights":

- each cell is count of times the model produced best prediction for UW assets
- determines weights for averaging predictions for non-UW assets

Model	Asset Class	Group	Model 1						Sum
			Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	
Court Auction	Commercial	1	13	13	13	8	8	32	87
		2	20	23	23	24	22	19	
Court Auction	Residential	1	5	5	10	15	4	12	51
		2	4	7	9	3	13	23	
Market Value	Commercial	1	2	15	11	4	13	8	53
		2	16	13	11	10	15	21	
Market Value	Residential	1	29	22	29	27	24	19	150
		2	8	8	10	9	13	14	
Market Value	Total	1	37	37	41	35	31	51	238
		2	36	36	35	35	30	34	
									744

256

258

252

FIG. 11

Variable	Category/Value Range	Encoding Scheme
Loan secured	(Yes, No)	Yes = 1 else 0
Loan type	(Revolving, Non-revolving)	Revolving = 1 else 0
Last payment	[0, 250 MM]	0 if Last payment = 0 else 1
Notice of default sent		Prior to Jun 97 equals 1 else 0
Original maturity date		Prior to Jun 97 equals 1 else 0
Syndicated Loan	(Yes, No)	Yes = 1 else 0
Loan guaranteed	(Yes, No, NAV)	Yes = 1 else 0
Collection score	[0, 1]	
Lien position	(-1, 0, 1)	1 if Lien position = 1 else 0
Current unpaid balance/Original balance	[0, 2.9]	Normalized to [0, 1]
Last payment to interest/Last payment	[0, 1]	

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FIG. 12

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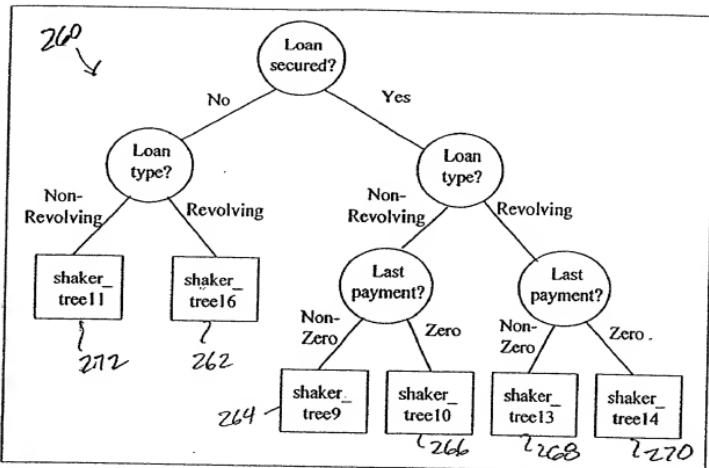


FIG. 13

Figure 14

